BUSINESS PROCESS VI

INSTITUTIONAL ELIGIBILITY AND CERTIFICATION

SUMMARY: Under this process, ED determines whether a school may begin or continue to participate in the student aid programs. ED makes this determination at least once every six years based on a review of information provided by a school in a certification or recertification application and on other information. ED maintains information about a school's educational programs, financial condition, and history in administering the aid programs primarily in the Postsecondary Education Participant System (PEPS), and also in the Case Management Information System (CMIS), and other OTS (off-the-shelf) databases.

BUSINESS PROCESS GOAL: To determine in a timely manner whether a school satisfies the regulatory and statutory standards necessary to participate in the student aid programs.

BUSINESS PROCESS DESCRIPTION

A. Recertification Process

Under the law, ED is required to recertify a school that already participates in the student aid programs at least once every six years.

1. The school must prepare and submit a complete eligibility application. A complete application contains required information about the school, its financial statement and compliance audits, and documentation showing that it is accredited and has the authority to operate in the state in which it is located.

2. The Document Receipt and Control Center (DRCC) receives and reviews the school's application and supporting documentation for completeness, then records and forwards the application package to the appropriate case management team.

3. The case management team performs a comprehensive review of the application package to determine whether the school has high loan default rates, unresolved program review or compliance audit findings, unpaid liabilities, or has owners or employees that have been disbarred. The team also reviews the school's audited financial statements to determine its financial condition. If the case team determines that the school satisfies the required regulatory and statutory standards, its participation in the aid programs is extended under a new Program Participation Agreement (PPA).

4. The case team informs the school, its accrediting agency, and loan guaranty agencies of its decision and provides updates to PEPS, CMIS, and GAPS.

B. Initial certification and change of ownership process

The eligibility and certification process for a school that seeks to participate in the aid programs for the first time (initial certification) or for a school that changes ownership, is similar to the process described for a school undergoing recertification.

C. Other processes

A school is required to submit an application for (1) a change in its educational program offerings, name, or address, or (2) an additional location. These changes may also require approval from accrediting and state licensing agencies. In addition, a participating school is required to submit annual audited financial statements and compliance audits.

BUSINESS PROCESS CONTINUITY AND CONTINGENCY PLAN

Potential Failure: An ED system failure prevents routine processing of recertification, change of ownership, or new school applications.

Mitigation Plan: To reduce the impact of an ED systems failure, IPOS will load PEPS data onto laptop computers in December 1999.

Contingency Plan: In the event of a Y2K failure, ED will process a school's application under business processes A, B, or C using manual procedures and December 1999 PEPS data previously loaded onto laptop computers.

Assumptions: If ED cannot process electronic applications because of a Y2K-related system failure, schools or their agents will submit paper applications.

DETAILED CONTINGENCY PLAN

Business Owner *(This is the name of the business process owner with implementation authority.)*

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I.   Prerequisites *(Activities that need to be completed on or before December 31, 1999, to implement the contingency plan.)*

1. By September 30, 1999, the Director, Performance Improvement and Procedures Division (PIPD), will again review the IPOS *Recertification* and *Program Support Assistant* manuals to see if any procedures need to be amended to enable the case teams and other ED personnel to process school applications manually if PEPS or CMIS fails. The Director, PIPD will ensure that adequate copies of the revised manuals (if needed) will be available to the case teams and other ED personnel in the event of a systems failure.
2. Director, IPOS Administrative Unit, will identify reliable sources for obtaining Oracle software and purchase two copies of the software before June 30, 1999.
3. Director, IPOS Administrative Unit, will identify 20 laptop computers that are capable (or that can be upgraded) to run a read-only version of PEPS on the Oracle software before June 30, 1999.
4. Director, IPOS Administrative Unit, will upgrade two existing laptops (or if necessary, purchase them) in July 1999 and load the Oracle software.
5. The System Administrator will load PEPS data onto the laptops to ensure that the data is properly transferred and accessible.
6. No later than December 21, 1999, the Chief of the Initial Participation Branch will establish and reserve a number of accounts in GAPS that could be assigned to new schools or schools that change ownership after January1, 2000.
7. On December 28, 1999, the PEPS System Administrator will load PEPS data onto the two appropriately equipped laptop computers.
8. Case management co-team leaders will print all electronic recertification applications in PEPS that have not been completed by December 30, 1999.
9. If the PEPS system fails, and ED implements its contingency plan, IPOS would need to upgrade or purchase 20 laptop computers and 20 copies of the Oracle software.

II.   Zero-Day Strategy (*In some instances it may be possible to minimize the risk of failure. The zero day strategy provides for risk reduction activities*

such as shutting down non-essential dependent processes to protect the critical process.)

Detailed information about the Day-One Plan and Zero-Day Strategy for PEPS is maintained by Program Systems Services (PSS) as part of their Y2K preparation.

III. **Trigger Criteria** (*The criteria define the instance of failure, time required to initiate the contingency plan, and the time required to conduct other trigger activities.)*

Trigger (A*n event or chain of events that signals the need to implement the contingency plan.*)

A PEPS or CMIS failure prevents routine processing of applications.

System Monitoring (*Ongoing systems review process.*)

The area case teams use PEPS and CMIS daily and would be the first ED personnel to become aware of any problems. The case teams would notify the respective systems administrators of any database failures.

Response Procedure (*Procedures for notifying responsible parties of system failures.*)

1. For a CMIS problem or failure, the case team will contact the System Administrator who will notify the Business Owner.
2. For a PEPS problem or failure, the case teams will notify the PEPS Division Director or the System Administrator.   The PEPS Division Director will notify the appropriate contractor at CBMI, CSC, or the Technical Support Unit at HP, depending on the system failure. The PEPS Division Director will notify the Business Owner.

Event Monitoring (*Parties responsible for overseeing system repairs.*)

1. For a CMIS failure, the System Administrator is responsible for continuously monitoring the efforts of the OCIO to repair the EDNet server necessary to operate CMIS and reporting the status of those repairs to the Business Owner.
2. For a PEPS failure, the PEPS Division Director and System Administrator are responsible for coordinating the repair activities of the contractors. The contractor contact person (see, Response Procedure (2)) will provide daily reports to the PEPS Division Director, who will inform the Business Owner.

Failure Tolerance Threshold (*The time ED will allow for system repairs to be completed before implementing the contingency plan.*)

30 days.

Implementation Timeframe (*The time it will take to implement the contingency plan.*)

It may take up to 9 days to purchase, prepare, and provide laptops to case teams to fully implement this contingency plan.

Go No-Go Decision Point (*The last day by which the Business Owner must decide on whether to proceed with the plan so that it can be implemented on the next day after the Failure tolerance threshold.*)

The business owner will decide whether to implement the contingency plan no later than 21 days after a PEPS failure.

Notification Procedures (*The actions ED will take to inform customers and partners of the system failure and contingency plan procedures.*)

1. The PIPD Management Analyst will notify ED Customer Service that the contingency plan has been implemented and provide Customer Service with written correspondence, procedures, or other materials regarding the actions that ED, schools, and other parties will need to take in response to the system failure.
2. ED Customer Service will disseminate the information to schools and other parties.

IV. **Business Resumption Team** (*Identify and list the roles and responsibilities of team members.*)

Business Owner, Director, IPOS
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Manage overall activities associated with implementing contingency plan and has the authority to commit ED resources. Also responsible for determining that a PEPS or CMIS system failure has occurred, authorizing ED personnel to carry out the plan, and authorizing system repairs.

Director, PEPS Division
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Manage overall activities associated with PEPS system repairs and notify all users of the status of those repairs.

System Administrator, PEPS Division
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Monitor PEPS systems repairs. Also responsible for notifying CSC of system failures, monitoring the progress of PEPS repairs and informing the PEPS Division Director of the progress of those repairs.

Director, IPOS Administrative Unit
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Responsible for purchasing the software and laptop computers necessary to implement the plan and for loading the software onto the computers and distributing them to the case teams.

Director, Performance Improvement and Procedures Division (PIPD)
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Responsible for reviewing and updating IPOS Recertification and Program Support Assistant manuals.

Management Analyst, PIPD
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Responsible for (a) notifying ED Customer Service that the contingency plan has been implemented, and (b) providing materials to ED Customer Service regarding the actions that ED, schools, and other parties need to take under the plan.

Computer Security Officer
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Responsible for ensuring that PEPS security standards are maintained while the systems are repaired and during the time the plan is implemented.

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Area Case Directors and Co-team leaders

The Division Directors, Area Case Directors, and Co-team leaders are responsible for (a) identifying that a failure has occurred, (b) notifying the system administrators of the failure, and (c) authorizing case teams and other staff to perform manual processing of school applications.

V. Sequence of Required Activities (*The activities that the Business Resumption Team will carry out in support of the contingency plan and after the Business Owner decides to implement the contingency plan.*)

1. The Division and Area Case Directors inform all business resumption team members to begin using the procedures in the *Recertification* and *Program Support Assistant* manuals to process school applications.
2. On January 24, 2000, the IPOS Administrative Unit Director purchases 20 copies of the Oracle software and, if IPOS does not have properly configured laptops, purchases 20 laptop computers.
3. On January 28, 2000, the IPOS Administrative Unit Director loads the Oracle software and the PEPS data that was loaded onto at least two laptop computers.
4. On January 31, 2000, the IPOS Administrative Unit Director distributes the laptops to all area case teams and other personnel.
5. The Business Owner notifies each case team to continue a school's participation on a month-to-month basis if (a) the school submits a timely and complete application and (b) a team does not complete processing that application before the school's participation in the aid programs is scheduled to expire.
6. After information systems are repaired, the Business Owner notifies the case teams to resume normal processing of applications.
7. The case teams transfer to PEPS all school changes that have been captured on paper during the PEPS failure.
8. The System Administrator updates CMIS with new school data acquired during the contingency period.

VI. Testing Plan (*The activities ED will carry out before December 31, 1999, to test the contingency plan.*)

No testing is required. The case management staff are experienced and trained in manually processing school applications. The electronic application has been fully operational for less than a year. The procedures used to manually process applications have been tested and used consistently for years. Copies of the Recertification and Program Support manuals are readily available.